

Honolulu, Hawaii

MAR 22 2019

RE: H.B. No. 624  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committees on Energy, Economic Development, and Tourism and Higher Education, to which was referred H.B. No. 624, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE STRUCTURE OF GOVERNMENT,"

beg leave to report as follows:

The purpose and intent of this measure is to repeal and transfer the rights, powers, functions, and duties of the Hawaii Technology Development Corporation and Hawaii Strategic Development Corporation to the University of Hawaii.

Your Committees received testimony in opposition to this measure from the Hawaii Technology Development Corporation. Your Committees received comments on this measure from the University of Hawai'i System and Hawaii Strategic Development Corporation.

Your Committees find that in order to be competitive in a global economy, the State must have a strong, technology-based economic development strategy. Your Committees also find that the Department of Business, Economic Development, and Tourism currently houses many technology-focused programs, such as the Hawaii Technology Development Corporation and Hawaii Strategic Development Corporation, but these programs are not strategically aligned. In order to improve technology-based economic development in the State, these technology-focused programs need



to be defined and aligned on common strategic objectives and an efficient and effective organizational structure.

Your Committees have heard concerns raised in testimony regarding the drawbacks of transferring the Hawaii Technology Development Corporation and Hawaii Strategic Development Corporation from the Department of Business, Economic Development, and Tourism to the University of Hawaii, as proposed by this measure, and finds that these actions may be premature.

Your Committees note that S.B. No. 990, S.D. 2 (Regular Session of 2019), also relates to technology-based economic development strategies and find that the language in S.B. No. 990, S.D. 2, is preferable because it does not transfer state technology agencies but instead orders a study to be conducted in order to assess how best to structure and align state departments and technology agencies.

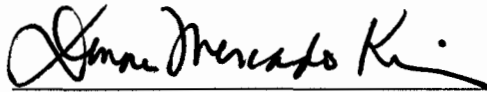
Accordingly, your Committees have amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 990, S.D. 2, a measure that:
  - (A) Requires the Department of Business, Economic Development, and Tourism to engage a consulting firm to conduct a study to evaluate policies and organizational changes needed within the Department that will enable the State to successfully execute a technology-based economic development strategy;
  - (B) Appropriates an unspecified amount of funds for the Department of Business, Economic Development, and Tourism to engage the consulting firm to conduct the study; and
  - (C) Inserts an effective date of upon approval with the appropriation to take effect on July 1, 2050;
- (2) Inserting an appropriation amount of \$70,000 for the study; and
- (3) Changing the effective date for the appropriation to July 1, 2019.



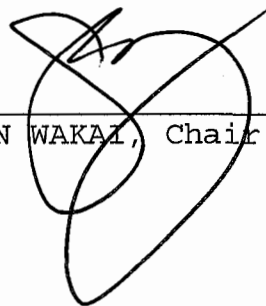
As affirmed by the records of votes of the members of your Committees on Energy, Economic Development, and Tourism and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 624, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 624, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Energy, Economic  
Development, and Tourism and  
Higher Education,



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DONNA MERCADO KIM, Chair



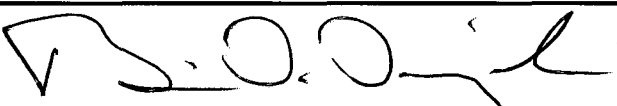
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GLENN WAKAI, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

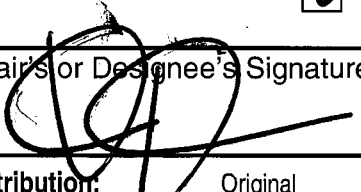
**Record of Votes**  
**Committee on Energy, Economic Development, and Tourism**  
**EET**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 624 HD1	EET/HRE, WAM	3/15/19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
INOUE, Lorraine R.				✓
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	4	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes

The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Higher Education**  
**HRE**

Bill / Resolution No.:* <b>HB 624 HD1</b>	Committee Referral: <b>EET/HRE, WAM</b>	Date: <b>3/15/19</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	✓			
KIDANI, Michelle N. (VC)				✓
KAHELE, Kaiali'i	✓			
KEITH-AGARAN, Gilbert S.C.				✓
FEVELLA, Kurt	✓			
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy				

\*Only one measure per Record of Votes